

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 97-286-C - ORDER NO. 97-852
OCTOBER 7, 1997

JMR

IN RE:	Application of WorldCom, Inc., MFS)	ORDER GRANTING
	Intelenet of South Carolina, Inc., and)	AUTHORITY TO
	WorldCom Technologies, Inc. for)	REORGANIZE AND
	Authority to Reorganize and for Approval)	TO COMPLETE
	of Related Transactions.)	RELATED
)	TRANSACTIONS

By Application filed June 30, 1997, WorldCom, Inc. ("WorldCom"), MFS Intelenet of South Carolina, Inc. ("MFS of South Carolina"), MFS Communications Company, Inc. ("MFSCC"), MFS Network Technologies, Inc. ("MFS NT"), and WorldCom Technologies, Inc. (WorldCom Technologies) (hereinafter collectively referred to as "the Applicants") request authority to reorganize their corporate structure and operations and to complete a series of transactions related to the reorganization. The Applicants seek authority to (1) transfer control of WorldCom Technologies from MFS NT to MFSCC; (2) transfer all of WorldCom's operating authority in South Carolina to WorldCom Technologies; (3) transfer all of WorldCom's assets related to its regulated operations in South Carolina to WorldCom Technologies; (4) merge MFS of South Carolina with and into its existing corporate parent, WorldCom Technologies (WorldCom Technologies will be the surviving entity); (5) transfer all of MFS of South Carolina's operating authority to provide telecommunications services in South Carolina to WorldCom

Technologies. If the Applicant's proposed transactions are approved, MFS of South Carolina will cease to exist, WorldCom will become a holding company, and WorldCom Technologies will be one of the primary operating entities of the WorldCom family of companies in South Carolina.

By letter dated August 6, 1997, the Commission's Executive Director instructed the Applicants to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the areas affected by the Application. The purpose of the Notice of Filing was to inform interested parties of the manner and time in which to file the appropriate pleadings for participation in the proceedings. The Applicants complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. No Petitions to Intervene or letters of protest were received by the Commission.

The Application explains the proposed transactions and states that the transfer of WorldCom's operations to WorldCom Technologies will have no adverse impact on consumers in South Carolina. WorldCom Technologies will file a new tariff that will incorporate all of WorldCom's existing services at the same rates, terms, and conditions currently available. Further, WorldCom Technologies will serve WorldCom's current customers using the same network, billing systems, and customer service operations that WorldCom uses pursuant to identical tariffs. The Applicants further assert that WorldCom's customers will continue to receive high quality services, at the same rates, and under the same terms and conditions.

S.C. Code Ann §58-9-310 (Supp. 1996) requires "due hearing" for asset transfers and mergers. The Applicants submitted, for Commission consideration, the verified testimony of Brian K. Sulmonetti. As there are no other parties to the proceeding, the Commission holds that the due hearing requirement may be satisfied in this instance by the Commission's consideration of the verified testimony and the Application at the Commission's regularly scheduled meeting of September 23, 1997.

According to the verified testimony of Mr. Sulmonetti, Director of Regulatory Affairs of WorldCom, WorldCom, with its subsidiaries, is one of the largest telecommunications companies in the United States. WorldCom provides telecommunications services to business, government, other telecommunications companies, and residential customers through its network of fiber optic cables, digital microwave, and fixed and transportable satellite earth stations. Mr. Sulmonetti stated that as a result of the recent acquisition of MFSCC, WorldCom is the first major telecommunications company with the capability to provide its customers with high quality local, long distance, Internet, data and international communications services over its own transmission facilities.

Mr. Sulmonetti stated that the transfer of WorldCom's operations to WorldCom Technologies will have no adverse impact on customers in South Carolina. Additionally, Mr. Sulmonetti stated that reorganization into a single holding company with fewer regulated subsidiaries will hopefully simplify managerial tasks as well as regulatory burden. Further, Mr. Sulmonetti offered that

approval of the Application is in the public interest as the consolidation will enable WorldCom companies to operate more efficiently and effectively by eliminating a number of redundant administrative functions.

Upon consideration of this matter, the Commission finds that the Applicants' request for authority to reorganize their corporate structure and operations and to complete a series of transactions related thereto should be granted. Therefore, the Commission grants the Applicants the authority to make the following transactions:

(1) to transfer control of WorldCom Technologies from MFS NT to MFSCC;

(2) to transfer all of WorldCom's operating authority in South Carolina to WorldCom Technologies;

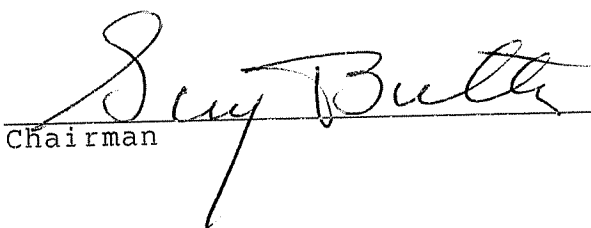
(3) to transfer all of WorldCom's assets related to its regulated operations in South Carolina to WorldCom Technologies;

(4) to merge MFS of South Carolina with and into its existing corporate parent, WorldCom Technologies (where WorldCom Technologies will be the surviving entity); and

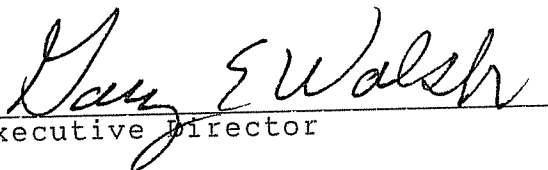
(5) to transfer all of MFS of South Carolina's operating authority to provide telecommunications services in South Carolina to WorldCom Technologies.

This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Deputy Executive Director

(SEAL)